



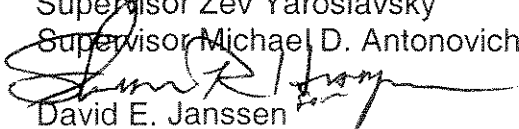
County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

March 16, 2004

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From:   
David E. Janssen  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE BRATHWAITE BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**SACRAMENTO UPDATE**

**Assembly Budget Hearing**

On Monday, March 15, 2004, the Assembly Budget Subcommittee No. 1 on Health and Human Services convened its first hearing on the Governor's proposed 2004-05 budget. The Subcommittee took the same action as its Senate counterpart and rejected the proposed enrollment caps for the AIDS Drug Assistance Program (ADAP). Pursuant to Board policy, our Sacramento advocates testified in opposition to the caps. The Assembly will consider other proposed enrollment caps at its April 12, 2004 meeting.

**Medi-Cal Reform**

The Administration will begin its workgroup process for redesigning California's Medi-Cal Program this week with meetings in Los Angeles. As previously reported, the Administration's goals for redesigning the program include: (1) protecting eligibility for those currently enrolled; (2) continuing to make serving children in Medi-Cal, a priority; (3) promoting work participation by continuing coverage of the working poor and allowing people to continue to maintain coverage while their income increases; and (4) improving program effectiveness and accountability by promoting managed care. Meetings will continue in March and April and will alternate between Los Angeles and Sacramento. The Administration is expected to release its redesign proposal in the May Revision. For further information on Medi-Cal Reform, please visit its website, [www.medi-calredesign.org](http://www.medi-calredesign.org).

Each Supervisor  
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### **March State Finance Report**

While the March Finance Department Report sought to find encouragement in revised state employment numbers for 2003, which show an average monthly gain of 4,600 instead of a loss of 3,500, the employment gains do not seem to be helping State finances. Personal income tax revenues in February were \$143 million below the forecast. Year-to-date, they are \$393 million below forecast. While sales and use tax receipts were \$427 million above the monthly forecast, the increase is primarily a result of late payments. Year-to-date, sales tax revenues are \$130 million below the forecast. Only corporation tax revenues are up for the year, some \$58 million above the forecast.

We will continue to keep you advised.

DEJ:GK  
MAL:JF:JR:ib

c:     Executive Officer, Board of Supervisors  
         County Counsel  
         Local 660  
         All Department Heads  
         Legislative Strategist  
         Coalition of County Unions  
         California Contract Cities Association  
         Independent Cities Association  
         League of California Cities  
         City Managers Associations  
         Buddy Program Participants